



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7

11201 Renner Boulevard
Lenexa, Kansas 66219

OCT 20 2016

Ms. Kyra L. Moore, Director
Air Pollution Control Program
Missouri Department of Natural Resources
PO Box 176
Jefferson City, Missouri 65102

RE: Draft New Source Review Permit
Metal Container Corporation-Arnold (ID #099-0044)
Project No. 2016-02-047

Dear Ms. Moore:

A draft of the New Source Review Permit, for Metal Container Corporation (MCC) Line 5 and Line 6 Modification in Arnold, was placed on public notice September 23, 2016 by the Missouri Department of Natural Resources; Air Pollution Control Program (MDNR). The permit requests an increase in allowable production rate in "Line 5" and "Line 6" with the most significant modification being the removal of total enclosures as required by Construction Permit 032014-003A. The United States Environmental Protection Agency, Region 7 (EPA) has reviewed this draft construction permit and provides the following comments.

First, Special Condition 12. A., in the draft New Source Review (NSR) Permit, requires Metal Container Corporation (MCC) to obtain volatile organic compound (VOC) offsets in the amount of 143.30 tons. MCC's NSR Permit Application states, in Section 7.5.1. (Project NSR Applicability), that this projects VOC emissions increase is 148.75 tons per year (tpy), which is a significant increase of a regulated air pollutant and subject to review. It is unclear to EPA how MDNR determined an offsets in the amount of 143.30 tons for a facility that indicates its increase is 148.75 tons per year. The ambient air quality, in the area around the MCC-Arnold facility, has been classified as "marginally nonattainment" for ozone and VOC is one of the contributors to the formation of ozone and therefore this project is subject to NNSR for ozone. Once a facility has determined it is subject to NNSR, it must apply for a NNSR permit which includes, but is not limited to, the installation of Lowest Achievable Emission Rate (LAER) technology and the "offsetting" of new emissions with creditable emission reductions at an offset ratio dependent upon the ambient air quality designation for the area. Neither the draft permit or the emissions / controls section (permit fact sheet) nor Special Condition 12 (VOC Offsets) provide an explanation as to the basis of the determination of the 143.30 tons of offsets; and whether or not the offsets have already been secured; and whether or not MCC is using direct VOC offsets or is relying on inter-pollutant trading offsets.



On the issue of offsets, the draft permit indicates that MCC must obtain offsets before they remove the permanent enclosures. For a modification that hasn't already occurred, the offsets must be secured prior to beginning of actual construction. Where MCC has already undertaken the addition of the VOC-emitting equipment, they should be required to obtain the offsets immediately. The permit fact sheet should discuss where the offsets were or will be obtained from, in what amount, if any offset ratios applied and whether any inter-pollutant trading is involved.

Based on earlier discussions, MDNR was considering whether to allow MCC to use NOx reductions in the St. Louis nonattainment area to offset the increase in VOC emissions from the MCC project. At the time, EPA expressed concern that both Missouri's state rules and the EPA-approved SIP, found at 10 CSR 10-6.410(3)(B)5.E., seem to disallow the use of inter-pollutant trading (e.g. NOx reductions may not be exchanged for volatile organic compound (VOC) increases, or vice-versa). If MCC is relying on anything other than VOC offsets, MDNR should describe how an offset using other pollutants satisfies the offset requirements.

Second, Special Condition 3 provides specific requirements MCC shall maintain to satisfy their Lowest Achievable Emission Rate (LAER) capture requirements for VOC emission control. Based on the LAER discussion included in the draft permit emission / controls evaluation (fact sheet), maintaining capture efficiency is a critical component of achieving the VOC emission limits. However, in Special Condition 3. F., MDNR requires MCC to monitor and record the static pressure at each capture system pick-up point at least **once each calendar quarter** (emphasis added). With capture efficiency critical to VOC emission limitation compliance, EPA believes that once each calendar quarter monitoring and recording requirement to be insufficient. Therefore, EPA recommends MDNR require MCC install continuous monitoring and recording of static pressure at each of the capture system pick-up points.

Third, Special Condition 6. D. and Special Condition 7. D. require MCC to monitor and record the pressure drop across each mist eliminator and each baghouse, respectively, at least once every 24 hours. Special Conditions 6. D. and 7. D. require the operating pressure drop to be greater than or equal to 0.2 inches of water. However, neither Special Condition 6 nor Special Condition 7 describe the actions MCC shall undertake when the pressure drop falls below the required operating set point. EPA recommends MDNR incorporate the corrective action(s) MCC shall take when the mist eliminator and bag house pressure drop falls below the operating set point.

We appreciate the opportunity to provide what we hope you will find to be a constructive comments. If you have any questions, please contact Bob Cheever by phone at (913) 551-7980 or email at cheever.robert@epa.gov.

Sincerely,



Mark A Smith, Chief
Air Permitting and Compliance Branch
EPA Region 7